(iii) All field formations of customs have been alerted to step up intelligence and maintain greater vigil at all levels to prevent recurrence of such frauds.

MICRO Credit Lendings in Rural Areas

2221. SHRI K. KALAVENKATA RAO: Will the Minister of FINANCE be pleased to state the measures taken to give impetus to banks for micro creditlending in rural areas for the benefit at the grass rool level?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANANR-THANAN): National Bank for agriculture and Rural Development (NABARD) had launched a programme in 1992-93, on the pilot basis, of bringing the rural poor within the fold of institutional finance through the intermediation of Self-Help Groups (SHGs) at the village level promoted and supported by Non-Government Organisatons (NGOs). NABARD has chalked out a strategey to promote micro finance for the next 10 years. The essentiall components of this strategy include, *inter-alia,* creation of a new Micro Credit Innovations Department at head office and cells at Regional offices, classifying the states as per current progress for intensification of efforts, finalisation of state spesific short term and medium term strategies, organising of crash training programmes for staff etc., developing one or two resource NGOs in different states to help induct new NGO partners, identifying potential districts in each state for intensive efforts, encouraging more regional rural banks to act as Self Help Promoting Institutions (SHPIs), dovetailing other similar programmes being undertaken in the states with the support of international/ national agenices, etc.

Customs Duty on Import of Alcoholic Beverage

2222. SHRIMATI JAYAPRADA NAHATA:
SHRI AMAR SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have received any demand from the domestic distillery Industry not to reduce the custom duty on the import of alcoholic beverage from the current rate of 245 per cent; and

(b) if so, what is the Government's reaction in regard thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANANR-THANAN): (a) and (b) Yes Sir. As part the Budget proposals for 1999-2000, customs duty on alcoholic beverages has been reduced from 245% to 230% *ad valorem*. Reduction in duty was necessary in pursuance of our commitment under the WTO.

Recovering Loans from farmers of Andhra Pradesh

2223. SHRI YERRA NARAYANA-SWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether instructions have been issued not to recover the principal and interest on loans taken by farmers of Andhra Pradesh because of pest attack on the commercial crops besides cyclone and floods;

(b) is fo, the details thereof; and

(c) the action taken or proposed to be taken against banks in Andhra pradesh who are violating the RBI guidelines in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANANR-THANAN): (a) to (c) Due to the extreme distress caused to the farmers in Andhra Pradesh by extensive damage to the crops affected by pests and drought severely impairing the repaying capacity of the borrowers, a relief package was extended to the affected farmers in Adnhra pradesh as a special case. Reserve Bank of India (RBI) has issued instrsuctions in this regard to the Andhra pradesh State Level Bankers Committee Convenor Bank i.e. Andhra Bank. These relief measures include no recovery of either principal or interest from the affected farmers for a period of two years; conversion/reschedulement of loan for a period of 7 years excluding initial moratorium period of two years; and sanction of fresh crop loans to the affected farmers, etc. There will be no compounding of interest in respect of these rescheduled loans. RBI has also instructed its regional office at Hyderabad to ensure strict compliance of the instructions by banks in the affected areas.

Collective Investment Schemes

2224. SHRI AMAR SINGH: Will the Minister of FINANCE be pleased to state:

(a) what is the total number of Collective Investment Schemes known as plantation issues, which are functioning at present and how much funds have since been mobilised by the promoters of theses schemes;

(b) whether the SEBI has appointed any Committee to formulate a draft regulatory regime for the issue of CIS companies; and

(c) if so, the details of the recommendations made by it and what decision has been taken thereon?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) As per information provided by SEBI, there are 653 entities which have mobilised Rs. 2562.83 crore from the public by way of collective investment schemes such as plantation, horticulture, animal Husbandry schemes etc.

(b) and (c) SEBI had appointed a committee to formulate the Regulations for collective investment schemes and the committee has submitted the draft Regulations to SEBI on 31st December, 1998. The major recommendations of the committee *inter-alia* are:

(i) a two tire structure for the collective investment schemes on the lines of mutual funds with a Trust and an investment management company;

(ii) Compulsory registration with SEBI and only SEBI approved trustees to be Trustees of the Schemes;

(iii) A mandatory credit rating of the schemes by recognised credit rating agency; and

(iv) A minimum networth requirement of Rs. 10 crore for the collective investment management company.

The recommendations of the committee's report have been circulated by SEBI for public discussion and comments have been invited from investors and scheme operators.

Reduction in the level of Subsidies

2225. SHRIMATI URMILABEN CHIMANBHAI PATEL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the cut in subsidies has been done under the influence and pressure of foreign powers;

(b) whether it is also a fact that the cut in subsidies on consumer items will directly and adversely affect the people living below the poverty line; and